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# Venturing Out



Caution: Individuals who may be entitled to receive Unemployment Insurance (UI) or Social Assistance (SA) benefits, and are not accepted in the Self-Employment Assistance Program, may lose entitlement to those benefits once the decision to start a business is made.

Produced by Human Resources Development Canada

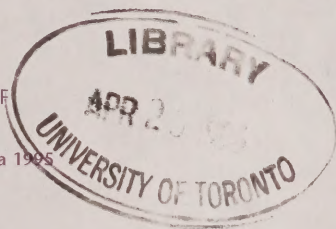


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Cette publication est également  
disponible en français sous le titre  
"Se lancer en affaires".  
Numéro de catalogue : LM-399-11-95F

© Minister of Supply and Services Canada 1995  
Cat. No. MP43-335/1-1995E  
ISBN 0-662-23991-1



# Venturing Out

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**R**ecord numbers of Canadians are venturing out and starting their own businesses.

As a result, small and medium-sized businesses are now generating most of the new employment in Canada.

Those who venture out into business find several ways of pursuing this ambition.

Some seek merely to be their own boss. Some act as contractors and sub-contractors. Others form co-operatives and yet others create new businesses or buy existing businesses or franchises.

Whichever approach you choose, the Government of Canada, in particular, the Department of Human Resources Development, wants to help you maximize your chances of success.

In this booklet, we will identify some of the challenges you might face in venturing out on your own. We will also tell you about some of the ways we can help.

Those readers who are currently employed may wish to begin work on starting their own business while still employed. On the other hand, those currently taking part in government programs or receiving some form of government assistance may wish to contact their local government office to see what assistance or restrictions might apply in their case.



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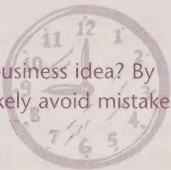
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# Getting Started

Getting started in a small business can happen in many different ways, but each of these approaches shares some common elements you must consider:

- **Time**

How much time do you have to develop your business idea? By allowing yourself enough time, you will more likely avoid mistakes that could prove costly.



- **Money**

How much money is at your disposal? Most entrepreneurs discover their businesses require more capital than originally anticipated. And while the question of how much is enough varies from business to business, you should ensure that you have access to enough money to allow for all possible contingencies so that you don't have cash flow problems or miss opportunities.

- **Expertise**

Do you have the knowledge and skills required to make a success of this business? If not, it may be worthwhile to take some courses or work in the industry until you gain the knowledge you need.

- **Risk tolerance**

How much risk is involved? You need to honestly assess your personality and finances to determine how much risk you can tolerate. This may rule out some high-risk opportunities.

- **Financial return**

Can you make a living from this business? Some people go into business without a clear idea of just how profitable the venture will be. Take the time to determine if your business will be profitable enough to justify your effort and provide you with the income you need.

- **Enjoyment**

Will you enjoy the business? This is a major consideration, especially since small business is often difficult and involves long hours. There will also be challenges and rough spots. You may need substantial commitment and self-sacrifice in the months that lie ahead.

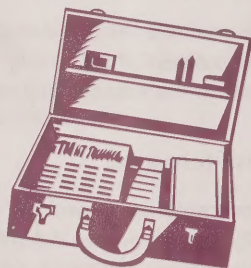
- **Family Considerations**

Will this new business adversely affect your family? The reality is that substantial sacrifices in time and money are required in the early stages of any business. And so you have to determine whether your savings or profits from the business will provide you and your family with an adequate standard of living, especially in the early stages of the business. As well, you will need to find out how committed your family is to the business. Will they, for example, be able to cope with the amount of time you will have to put into your business?

- **Professional Help**

Finally, getting started means starting out right. It is important to realize—before you start out—that there are many important decisions to be made involving legal and taxation issues, insurance, finance, bookkeeping and accounting, hiring employees, etc. These can often be complicated and difficult to address without specialized expertise.

Consequently, you should consult professionals such as lawyers, accountants, insurance brokers, professional or accredited financial planners, bankers, and government agents to get the best possible advice and avoid mistakes that may come back to haunt you later on.



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# Studying the Market

**P**robably the first thing you need to do when thinking about starting a new business is to determine whether you can make a success of it.

This means asking tough questions about the potential demand for your products, how much you can charge and whether the payback will be sufficient to make it worth your while.

This is the information which a marketing plan provides.

Although each marketing study is different—because every business is different—most seek to answer the following questions:

- What is the market potential for my product or service?
- Who will my customers be; how many units can I sell; and how much can I charge?
- Who will my suppliers be and how much will they charge? What credit terms are they likely to offer?
- Who are my competitors and what competitive advantages do I possess?
- How will I get my goods to market and how expensive will this be?
- Will this business produce a large enough profit to justify the sacrifices which will be required?

Armed with answers to these questions and a properly laid out marketing plan, you will be in a much better position to see if your business idea is viable.

Getting the information for such a plan is often quite easy.

For instance, one possible technique is to interview those already in the industry or potential customers.

Trade and industry associations can also be helpful since they possess in-depth information about their industries.

As well, many publications and data bases can help you assess the potential of industries and markets. A visit to your local library is a good first step in getting this information.



Some potential sources of information might include:

- books and magazines on and for small and home businesses,
- trade magazines,
- indexes of articles covering your area of interest,
- business directories, and
- government publications.

Of course, this is just a tiny part of what is available. For best results, you should make an appointment with your local business or reference librarian to make sure that you get the very best information and do not miss any worthwhile sources.

Another source of information is the federal government since it collects and analyzes data of great potential value to marketing studies. Here are just a few of the services it provides which could prove invaluable in developing your marketing plan.

## Market Intelligence

- Industry Canada's Market Intelligence Service publishes reports and information on Canadian and U.S. markets for specific products. For more information, contact your nearest Industry Canada office or write:

**Industry Canada**  
**Market Intelligence and**  
**Technology Opportunities Service**  
Market Intelligence Section  
235 Queen Street  
Ottawa, Ontario  
K1A 0H5  
Tel.: (613) 954-4970.



Statistics Canada's Small Business and Special Surveys Division provides information on and for small businesses.

- *Small Business Profiles* presents detailed financial expense and operating ratios, balance sheet information, and employment data for most industries by province and territory.
- *Employment Dynamics, Wage and Salary Earners* and *Employment and Payrolls by Business Size* give data on payrolls, employee profiles and employment by company size and industry.
- *Small Business in Canada: A Statistical Summary* shows the distribution of small businesses by industry group and revenues.



- *Sales per Selling Area of Independent Retailers* provides sales area information for retail businesses.

Statistics Canada also offers a consultation service to develop and analyze custom-designed surveys. For more information, contact your local Statistics Canada Regional Reference Centre or write:

**Statistics Canada**  
**Small Business and Special Surveys Division**  
Business and Trade Statistics  
Statistics Canada  
Ottawa, Ontario  
K1A 0T6  
Tel.: (613) 951-9045.

## Foreign Sales and Purchasing Opportunities

The Department of Foreign Affairs and International Trade is a key source of information on opportunities abroad. It offers information on tariff and trade negotiations, as well as opportunities and competition in the world marketplace. In association with Industry Canada, this Department identifies foreign opportunities for Canadian business. Foreign Affairs and International Trade also informs exporters about the requirements of the Exports and Imports Acts.

You can get information about these programs and services by phoning **Info Export's** toll free number 1-800-267-8376 or by fax, (613) 996-9709. Trade information is also available by sending a fax to FaxLink, (613) 944-4500.

Of course, this is only a small portion of what is available. Contact the appropriate government department for guidance to other areas where the federal government can help.

One last word concerning marketing plans.

These plans are dynamic and are only helpful if they change as your business changes.

And so, rather than just preparing a marketing plan and filing it away in your desk drawer, you need to re-examine your marketing plan from time to time in the light of new developments and make the necessary changes to it.

For only then can your marketing plan guide and support your efforts on an on-going basis.

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# On the Right Path

**You** can venture out on your own by:



- creating a totally new business;
- buying an existing business, or
- buying into a franchise operation.

Each approach has its advantages and disadvantages.

Starting a new business may allow you to start with a clean slate. You can then build a business that reflects your personality, strengths, interests and capabilities. In this way, you are not buying a previous owner's problems as can happen when you buy an existing business. On the other hand, a new business may also require large investments of time and money before you open your door.

Buying an existing business can mean gaining a fully functional operation able to produce revenue from day one. However, it may be difficult to determine the business's worth or the existence of hidden problems.

Finally, buying a franchise can provide you with a tested package containing products, trademarks, business systems, procedures and training. Such assets can make franchises attractive even to those with little business experience. Franchises vary in quality, cost and reliability. A careful study should be made before investing in one.

Whichever path you choose, investigate the options to ensure you have the knowledge necessary to operate your future business and industry.

One strategy is to choose an area you already know well or else build on strengths, skills, interests or hobbies you already possess. Another strategy is to "keep your day job" while developing the skills, products and contacts you will need.

You may also want to line up customers before going out on your own. Unfortunately, this may not always be possible, especially when you are unemployed. However, you can still maximize your chances of success by:

- setting up a business closely related to your previous jobs,
- negotiating with your former employer to sell your services on a contract basis, or
- staying in the industry you came from and seeking business from your former employer, customers and competitors.

The key to success is knowledge of your business and its industry. If you do not yet possess this knowledge, it may be wise to postpone your launch until you feel ready.

## **ACTION CHECKLIST**

- For more information on franchising, a booklet published by the Canadian Franchise Association, *Investigate Before Investing*, outlines steps to be taken before investing in a franchise. It can be obtained from:

### **Canadian Franchise Association**

Building 12, Suite 201

5045 Orbitor Drive

Mississauga, Ontario

L4W 4Y4

Tel.: (905) 625-2896.



# Choosing a Structure

Choosing the right legal structure for your business can also impact on its future prospects. And while it is an important decision, it is often far from easy. As a result, you may wish to consult a professional, such as a lawyer or accountant, specializing in this area. Such professionals will be able to evaluate your individual situation and advise you as to which structure best matches your circumstances. Of the various structures available, the most common include:

- sole proprietorships,
- partnerships,
- incorporation.



## SOLE PROPRIETORSHIP

This is the simplest legal structure and is relatively easy, fast and inexpensive to set up.

Since the registration of sole proprietorships (as well as registered partnerships) is done by the provinces, regulations can vary from province to province. Therefore, it is wise to check with your provincial department in charge of businesses for the regulations which will affect you.

However, in general, this involves registering the business name with the appropriate provincial government department. As part of this, you will have to ensure that this name is not already in use. In some provinces, the appropriate government department may offer to do this upon payment of a search fee. As well, there are private search firms which can determine if a given business name is already in use.

Once your application for registration as a sole proprietorship has been approved, you will receive a registration document allowing you to start operations. You can then set up bank accounts, apply for credit card vendor status, and register for provincial retail sales tax and GST, if applicable.

While the relative advantages and disadvantages of this legal structure can at times be complicated, a few general points do stand out.

To begin with, sole proprietorships tend to be less expensive than corporations to set up and usually involve fewer regulations.

As well, sole proprietorships allow you to write off business losses against your personal income. This is particularly attractive in the early years of a company when losses are not uncommon.

On the other hand, one major disadvantage is that you could be held personally liable for your business debts and expenses. In some cases, this has meant the loss of owners' savings and home.

In addition, sole proprietorships do have some disadvantages from a tax point of view. For instance, corporations can deduct some expenses or costs which sole proprietorships cannot. As well, profits from a sole proprietorship must be added to your personal income. And this may mean you have to pay more tax than would have been the case with an incorporated company.

## **REGISTERED PARTNERSHIPS**

Registered partnerships, although similar to sole proprietorships, are complicated by the existence of multiple owners. Sometimes, this works well and strengthens the venture. However, when partners don't get along, the results can be disastrous.

## **INCORPORATION**

Incorporated businesses can often benefit from a number of legal and taxation advantages not available to sole proprietorships or registered partnerships. Some provinces offer highly favourable tax rates, for example. However, they can be much more expensive to set up and involve complexities which often require the services of a professional such as a lawyer or an accountant.

One major advantage of this form is that it can allow for the continuity of the business when owners die or sell their share of the business.

Another advantage is that incorporation can provide some protection against personal liability for the corporation's debts.

However, there are also disadvantages to incorporation—especially for those businesses which are quite small.

To begin with, the process of incorporation can be difficult, complicated and expensive.

Incorporation requires that you get a search firm to verify that your business name is not already in use.

Then you will have to decide where you wish to incorporate provincially or federally. This complicated decision is very important since reporting and regulatory requirements may vary considerably from one jurisdiction to another.

Later, incorporated businesses can involve considerable on-going effort such as holding board meetings, keeping minutes, and recording decisions and votes.

Finally, you will probably need some sort of share structure—by no means a simple matter—and your business will be required to file a corporate tax return separate from your personal tax return.

### **ACTION CHECKLIST**

- To set up a proprietorship, registered partnership, co-operative, or provincially incorporated company, contact the appropriate provincial/government department.
- For in-depth advice as to which corporate structure best suits your circumstances and how to set up your company, contact a professional such as a lawyer or accountant who specializes in this area.
- To verify that your business' name is not already in use, hire a search firm. Names of such firms may be found in telephone book. As well, you might try contacting the appropriate provincial or federal government departments since some may keep lists of approved search firms.
- To incorporate federally, you must apply to:

**Industry Canada**  
**Corporations Directorate**  
Place du Portage, Phase I  
50 Victoria Street  
Hull, Quebec  
K1A 0C9.

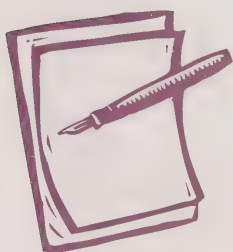


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# Planning a Business

Once you have completed your marketing study, you can use it as the starting point for developing one of the most important foundations of any business—the business plan.

Business plans contribute to the future success of a business in several ways. They are necessary when seeking loans; they help you measure progress; and they tell you where you are going and what you need to get there.



A business plan usually includes a description of your business and the industry in which it will function—including suppliers, customers and competitors—the products and services you will provide, your price schedules, and your sales, marketing and production plans. As well, you will need to outline the opportunities and threats facing your business, the resources you will require, your expansion plans, and current and projected financial statements.

## Planning for Expansion

Planning is critical not only in the early stages of a business, but also when your business starts to grow when it necessary to help you avoid some of the pitfalls which often accompany expansion.

One plan you must consider is human resource planning—the hiring and management of employees.

To begin with, you need to consider how you will find employees with the skills and training needed to make your business a success.

This might involve talking to friends, relatives and business colleagues for referrals of suitable candidates.

However, such informal methods often prove inadequate. You may need to use more formal approaches such as advertising in local newspapers, using the services of recruitment or temporary employee services, or seeking help from local Human Resources Development Canada employment centres.

As well, you need to be aware of the many legal, regulatory and tax requirements related to having employees on your payroll.

Some of these fall under provincial jurisdiction and involve such issues as employment standards, minimum wages, workers' compensation, and occupational health and safety.

Others fall under federal jurisdiction and involve such issues as employer contributions to Unemployment Insurance and Canada Pension Plan and the deduction and remittance of amounts for Canada Pension Plan, Unemployment Insurance and income tax.

These issues are often complicated and so for further information you should contact the appropriate provincial and federal government departments or professionals such as a lawyer or accountant.

## **Planning as a Continuous Process**

Finally, like marketing, business planning is a continuous process.

No business stays the same for long. Therefore, you need to revise your business plan periodically to allow for changed circumstances.

This will allow your business plan to continue to work for you. The process of rethinking the plan will force you to develop new ways of looking at your business and its environment. This may provide you with new ways of increasing revenues or cutting costs.

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# Arranging Financing

**Y**our business plan should include financing. You should make sure you have the necessary capital since few people can fund a business entirely from their savings.

## Financing Options

Most financing strategies involve various combinations of debt, equity and government assistance.

Debt is usually financed by loans and lines of credit, both of which often require collateral. Such collateral might include your house, savings, securities, facilities, machinery, inventory or receivables—valuable assets that could be seized in the case of default. Although this form of financing does entail the risk of cash flow problems should revenues drop, debt financing has the advantage of leaving you in control of your company and its equity.

Equity financing means an outsider makes an investment in your company and receives a portion of its equity in return. In some cases, this investor may be a “silent partner” content to let you run the company. In other cases, the investor may have some say in the running of the company. This can result in a loss of control but it could also mean the gain of the investor’s business experience or network of contacts.

Finally, federal, provincial and territorial governments extend assistance to some small businesses to promote specific objectives including: encouraging regional development or specific industries, assisting members of disadvantaged groups, and remedying “market failures” by providing funding in areas not served by the private sector.



## Sources of Capital

Many entrepreneurs rely heavily on their assets and loans from their families and friends during the start-up stage.

However, once their businesses grow, many have to seek outside sources of capital to finance expansion. This usually involves loans and lines of credit from banks, trust companies and venture capital from venture capitalists, investors or small business development corporations. As well, supplier credit and leasing can prove important credit sources.

## Sources of Government Financing Assistance

Government has for some time stepped in to provide some financing assistance in those areas which seem not to be adequately addressed by private capital markets.

Below are some of the federal government initiatives in this area.

### Small Business Loans

The Small Business Loans Act helps small businesses get loans from chartered banks and other lenders. The goal is to help finance the purchase or upgrading of fixed assets such as machinery and manufacturing facilities.

For further information, contact Industry Canada, Small Business Loans Administration, at (613) 954-5540, or your local financial institution.

### Business Development Bank of Canada

The Business Development Bank of Canada assists small businesses with financial services such as loans, loan guarantees, venture capital and export receivable financing. It also offers management services such as counselling, training and information packages.

For further information, contact your local Business Development Bank of Canada branch or telephone toll free 1-800-361-2126.

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# Setting Up an Office

**B**efore you set up business in your home or in separate office space, you need to ask yourself whether you will go to your customers or they will come to you.

## Home-Based Business

Home-based businesses are growing in popularity. Automation and telecommunications equipment allow clients to be served from one's home. Home-based businesses are particularly attractive in the start-up stage when cash flow is tight. You do not pay rent and can often save on taxes by writing off a portion of home expenses such as mortgage payments, rent, heat, electricity, repairs and maintenance. Many small business people choose to work from their home as it allows them to spend more time with their families.



But home businesses can have their drawbacks. For example, some customers or suppliers are still reluctant to do business with home-based businesses. Your neighbours and municipal authorities may object to a home-based operation which can create noise, pollution, traffic or parking problems. To address this, many municipalities now have zoning restrictions dealing with home-based business. You should investigate these before starting up your business. Finally, having your office in your home may cause problems as you juggle the demands of work and family.

## Separate Location

Some businesses cannot be based in your home and a separate location is the only answer. Separate locations imply a certain professionalism. You are less likely to experience zoning restrictions that can occur with home-based businesses. It also allows you to separate your work from your home life. As a result, you won't be interrupted by your family nor will you be tempted to work 24 hours a day.

## Shared Space

One common arrangement is to rent space in an office suite. In some cases, this can include use of meeting rooms, secretarial and reception help and an attractive reception area to impress your clients. In other situations, two or more companies share an area in a building to collectively afford a better working environment.

## Getting Inexpensive Equipment and Vehicles

Budgets are usually tight in start-up companies so it is important to acquire equipment, furnishings and vehicles as inexpensively as possible. Second-hand equipment is an affordable option, especially during economic downturns. A great deal of first-rate equipment is often sold by companies moving or going out of business. Sometimes, such equipment can be located by asking friends, family members or business associates who may know of some good buys not yet advertised. Other times, used equipment and machinery can be purchased from second-hand stores or companies.

Finally, government auctions are also an excellent source of second-hand equipment, furnishings and vehicles at relatively inexpensive prices. For information on auctions, look in your local newspapers for advertisements.

### **ACTION CHECKLIST**

- A number of excellent home-based business organizations now exist across Canada which can provide you with information on setting up and running a home-based business. Some of these groups also help home-based business owners build contacts by providing opportunities for networking among members. For more information on these organizations, consult the reference section of your local public library or the yellow pages of your telephone book.



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# Taxes and Government Regulations

**B**usiness success usually means taxes. The various levels of government levy taxes, each with its own regulations, requirements, forms, and reporting periods. Some of the federal taxes that may affect your business are listed below.

## THE GOODS AND SERVICES TAX

The GST is levied on most goods and services in Canada. Exceptions are businesses with annual revenues under \$30,000. To help businesses cope with the GST, the federal government offers booklets and seminars. For more information, contact your local Revenue Canada office or call toll free:

1-800-267-6620 English,  
1-800-267-6640 French,  
1-800-267-6650 Hearing impaired.

## FEDERAL CORPORATIONS TAX

Federally incorporated businesses are required to remit their federal tax in monthly instalments. A tax return is also required six months after the corporation's fiscal year end.

## PERSONAL INCOME TAX

Those involved in sole proprietorships and registered partnerships must include income (losses) from their unincorporated businesses in their personal tax returns. Self-employed people may also be required to pay their income tax in instalments.

## CAPITAL GAINS TAX

Capital gains and losses resulting from business activities must be reported to Revenue Canada. The treatment of capital gains for taxation can be a complicated subject and so you may wish to contact Revenue Canada or a professional as to how this may affect you.

## SOURCE DEDUCTIONS

Businesses are required to remit their Canada Pension Plan and Unemployment Insurance contributions plus income tax for their employees on an ongoing basis. The frequency of remittances depends on the tax, the pay period and the amount remitted.

## OTHER TAXES

You may have to pay other taxes to provincial, territorial or municipal governments. Provincial taxes include sales, corporation, income and capital taxes. Municipal taxes might include business or property taxes or licence fees. For more information, please consult the appropriate government office nearest you or a professional tax specialist.

## SPECIAL INDUSTRIES/SPECIAL NEEDS

Government regulations are not restricted to taxation. Specific industries must comply with labelling, import quotas, and health and safety standards. Such regulations are important and must be followed. Consult the appropriate government office in your area to discover any additional regulations applying to you.

As well, you may wish to protect original work and creativity contained in ideas, designs, or products in your business. For information concerning patents, trademarks, copyright or industrial design, contact the Canadian Intellectual Property Office at (819) 997-1936.

## ACTION CHECKLIST

- To help small business owners cope with taxation, Revenue Canada provides publications and seminars designed to make complying easier. For information contact your local Revenue Canada office.

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# Marketing Your Products and Services

**O**f course, no one will buy your products and services until they know about them.

This is where sales and marketing come into the picture. Get this right and you will have taken a major step towards success.

There are many ways of selling your products or services and informing potential customers of their benefits. These include: direct sales, retail and wholesale, using sales representatives and jobbers, mail order, tele-marketing, trade and craft shows, flea markets, network marketing and advertising.

Your choice of appropriate marketing depends on the nature of your business, its products and services, the amount of money you have to spend and it also depends on your own personality.

For instance, direct sales, especially “cold calling”, can be very daunting for people who find it difficult to handle the rejection which so often accompanies this approach.

Then again, your marketing approach must also take into account the nature of your industry since every industry has its own traditions and rules.

It is true that a few people do from time to time break the rules and make millions, the reality is that existing marketing vehicles and distribution channels within any given industry usually make sense for that industry. As a result, you will have to at least study them and give them due consideration before you consider other techniques.



## Getting the Skills and Information You Need



Clearly, there is a body of knowledge and skills you will need to successfully market your products or services.

To begin with you will need in-depth knowledge of your industry, how it works, as well as your potential customers and competitors.

Fortunately, finding out how business is conducted in your industry can be relatively easy and there are many resources available to help you.

One of the best ways is to actually work in that industry for a time to find out what it is like and develop those contacts which will provide you with the suppliers, customers and competitive knowledge you will need when you are first out on your own.

However, equally important are the actual sales skills and marketing techniques you will need to make sales and close deals.

There are many resources available to help you get up to speed.

For instance, most community colleges and universities offer courses in marketing—as do private business and technical training schools.

As well, a number of courses are available which teach the basics of sales. These are available both through the standard educational and training systems but as well from sales training courses offered by businesses which specialize in this area.

Finally, you will need to hone your customer service skills since keeping your customers happy is at least as important as getting customers in the first place. And again there are a number of training courses available to help you develop or improve your skills in this area.

## Selling to the Government

One of the biggest potential markets is government. A 1989 study estimated total expenditures by government to be about \$90 billion, with Crown Corporations spending an additional \$15 billion. Few businesses can afford to neglect this huge market.

Government and crown corporations do however have compulsory requirements and procedures. Below are some programs and services designed to make selling to the federal government easier.

### PUBLIC WORKS AND GOVERNMENT SERVICES CANADA

This department is the major provider of products and services to the Government of Canada. It buys about 17,000 different goods and services from private sector companies. It has set up a centre for client and supplier promotion to help suppliers better understand the system. The centre also publishes information and conducts seminars for businesses across the country.

For information on publications and seminars by the **Centre for Client and Supplier Promotion**, or to obtain a supplier registration kit, contact your local Public Works and Government Services Canada office. You can also telephone the centre at (819) 956-7052, fax (819) 953-1057.

### GOVERNMENT BUSINESS OPPORTUNITIES

*Government Business Opportunities* lists contracts to be let, contracts awarded, and new government publications. You can also use it to seek contracts or sub-contracting business from private sector firms just awarded government contracts.

For information on this and other publications by the Canada Communication Group, contact your local Canada Communication Group, telephone (819) 956-4802, or fax (819) 994-1498.





## **OPEN BIDDING SERVICE**

The Open Bidding Service (OBS) was set up by the federal government to make its market instantly available to all companies through an open, fair and cost-effective service.

The OBS informs subscribers of the latest business opportunities involving federal departments, provincial governments and public sector organizations.

You can use the system by dialing the OBS on-line service from your computer. You then follow a series of menus, prompts and commands to select opportunities. Documents are sent to you within four business hours by mail.

To subscribe to the Open Bidding Service, telephone 1-800-361-4637 or (613) 737-3374 in the National Capital Region.

## **SELLING ABROAD**

Small business is increasingly looking to export markets for new sales and marketing opportunities.

Realizing the special difficulties involved in selling abroad, the federal government seeks to make its expertise and facilities available to Canadian businesses seeking to tap these exciting new markets.

Below are some of the federally run programs which seek to smooth out the road a bit for those seeking to increase their export sales.

## **WORLD INFORMATION NETWORK (WIN) FOR EXPORTS**

**WIN Export** is a computer-based information system which seeks to match foreign needs to Canadian capabilities by listing the experience and interests of more than 30,000 Canadian exporters. Registration with WIN Export is also a requirement for some programs. To register, fax your request on company letterhead to 1-800-667-3802 or (613) 944-1078.

## INTERNATIONAL TRADE CENTRES

These centres are the first points of contact in supporting the exporting efforts of Canadian companies. The centres help companies determine whether they are ready to export, assist them with marketing research and provide access to government programs designed to promote exports. Contact your Industry Canada regional office.

## EXPORT MARKET DEVELOPMENT

Export Market Development is a cost-sharing program designed to increase exports of Canadian goods and services. It supports activities such as assistance for export promotion at trade fairs abroad, market identification, hosting visits of foreign buyers and bidding on projects. It also helps set up permanent sales offices abroad, marketing agreements and trade missions. For more information, call (613) 996-7200.

## NEW EXPORTER PROGRAMS

These programs provide Canadian businesses with expertise and help to export to the U.S. border states, the U.S. South and Overseas. To do this, they provide business personnel with crash courses in export marketing, and involve them in sectoral missions, trade fairs and briefings. For more information, contact your regional **International Trade Centre** located in Industry Canada offices or call Info Export toll free at 1-800-267-8376.

## EXPORT FINANCING

Many businesses wanting to sell abroad worry about getting paid or having their goods damaged or stolen in transit. To help exporters, the **Export Development Corporation (EDC)** provides export insurance and financing. It can also inform you of the risk level of each country. For information, contact your local EDC office or call (613) 598-2500.



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# Sources of Assistance

The following is a list of additional programs offered by federal government departments, agencies and crown corporations. This will give you a starting point for more research.

## HUMAN RESOURCE CENTRES

Your local Human Resources Development Canada Human Resource centre should be one of your first stops for information and access to federal government programs assisting small businesses. It also offers training, counselling, and can help you find employees as your business expands.

## COMMUNITY FUTURES DEVELOPMENT CORPORATIONS

These centres provide counselling and technical assistance to local, small businesses and entrepreneurs, and invest up to \$75,000 in businesses. They continue to provide advice and assistance once the business is up and running.

## SELF-EMPLOYMENT ASSISTANCE PROGRAM

The Self-Employment Assistance program is available to Unemployment Insurance recipients, fishers and social assistance recipients who wish to set up a business. It requires a viable business idea and the willingness to invest one's own equity in the business. Once accepted, you must work full time at setting up and running your business. The program will provide you with income support and, if eligible, a supplementary allowance for 52 weeks, as well as training, counselling and technical advice.

For further information, please contact your local Human Resources Development Canada employment centre.

**Caution: Individuals who may be entitled to receive Unemployment Insurance (UI) or Social Assistance (SA) benefits, and are not accepted in the Self-Employment Assistance Program, may lose entitlement to those benefits once the decision to start a business is made.**

## INDUSTRY CANADA

Industry Canada has many programs to help you get the necessary assistance and information to start and expand your new business.

## INDUSTRY CANADA REGIONAL OFFICES

These offices provide business intelligence, information and access to a large portfolio of federal government programs and services. They also contain International Trade Centres where you can gain in-depth knowledge of foreign business opportunities.

## INDUSTRY CANADA BUSINESS SERVICE CENTRES

Industry Canada Business Service Centres act as gateways to the full range of Industry Canada services, information products, expertise and programs. They refer clients to federal, provincial and municipal services. Each centre contains a reference section with practical publications, videos and computer data bases plus a video viewing facility.

These centres also work closely with the Canadian Patent Office, providing advice and information on patents, trademarks, copyrights and industrial designs.

## BUSINESS OPPORTUNITIES SOURCING SYSTEM

The Business Opportunities Sourcing System is a computerized directory of Canadian companies linking purchasers with potential suppliers. You can also use it to obtain market intelligence and identify market opportunities. To register, contact your nearest Industry Canada office or telephone (613) 954-5031.

## dISTCoverY

A computer data base containing Canadian manufacturing licensing opportunities, dISTCoverY introduces Canadian companies to contacts from around the world offering or seeking licences for products, processes and technologies. For more information, contact your nearest Industry Canada regional office or telephone (613) 954-4970.

## BUSINESS DEVELOPMENT BANK OF CANADA

The Business Development Bank of Canada offers financial and venture capital services to Canadian businesses, including loans to small businesses. It also offers counselling, training, financial and strategic planning services. In addition, the **Counselling Assistance to Small Enterprises** program provides the services of retired executives to assist small businesses. A number of do-it-yourself kits, brochures and handbooks are also available.

For further information, please contact the Business Development Bank branch in your locality or telephone toll free 1-800-361-2126.

## CANADIAN COMMERCIAL CORPORATION

The Canadian Commercial Corporation helps Canadian companies export by linking them with foreign governments and international agencies seeking their products and services. For further information, please contact:

**Canadian Commercial Corporation**

50 O'Connor Street, 11<sup>th</sup> Floor

Ottawa, Ontario

K1A 0S6

Tel.: (613) 996-0034

Fax: (613) 995-2121.



## INDUSTRIAL RESEARCH ASSISTANCE PROGRAM (IRAP)

This program helps small and medium-sized firms access technology by means of a network of more than 250 regional and local officers and 60 provincial technology centres. This network also includes the Council's own laboratories and research institutes, federal government departments, technology transfer officers in Canadian universities, and technology counsellors attached to Canadian diplomatic posts.

Through this network, IRAP encourages experts to help firms solve technical problems on an advisory or referral basis. It also assists in structuring research and development projects to reduce risk to companies and monitors IRAP-funded R & D projects.

For further information, please contact your nearest National Research Council office or write:

**National Research Council**

Montreal Road

Ottawa, Ontario

K1A 0R6

Tel.: (613) 993-9101.



## Regional Development Programs

Some regions or entrepreneurs face unique challenges requiring specialized programs. Below are a few of the programs to address such special needs.

### COMMUNITY FUTURES

This program contains several initiatives supporting small businesses, among them the Business Development Centre initiative.

### THE FEDERAL ECONOMIC DEVELOPMENT INITIATIVE IN NORTHERN ONTARIO

FedNor promotes economic development in Northern Ontario. It provides loan insurance and financial contributions for starting, expanding or modernizing a business, consulting and marketing studies, and developing new products. As well, a Market Access Program helps Northern Ontario suppliers do business with the federal government. This program promotes Northern suppliers to government departments and companies. It conducts seminars, meetings and consulting services. It also matches Northern Ontario companies with joint venture and sub-contract opportunities.

For more information contact your local FedNor office or write:

**FedNor**

302 Queen Street East  
Sault Ste Marie, Ontario  
P6A 1Z1

Tel.: (705) 942-1327

or 1-800-461-6021

Fax: (705) 942-5434.

### ATLANTIC CANADA OPPORTUNITIES AGENCY

Atlantic Canada Opportunities Agency provides financial assistance to help establish, develop, support and promote small and medium-sized enterprises in Atlantic Canada. It does this either through contributions toward approved projects or loan insurance. One such program helps suppliers in Atlantic Canada improve their ability to serve the federal government market. It offers grants of up to \$250,000 over two years

to help cover the cost of preparing bids and other procurement activities. This includes pre-production costs, specialized training, consultants' fees and travel costs.

For more information contact your local Atlantic Canada Opportunities Agency office or

**Atlantic Canada Opportunities Agency**

644 Main Street

P.O. Box 6051

Moncton, New Brunswick

E1C 9J8

Tel.: (506) 851-2271

or 1-800-561-7862

Fax: (506) 851-7403.

## **WESTERN ECONOMIC DIVERSIFICATION CANADA**

Western Economic Diversification works to increase procurement opportunities for Western companies and the participation of Western companies in major Crown projects. Public Works and Government Services Canada, as well as provincial government departments, regularly hold joint seminars with WED to inform companies who are seeking business with the government.

For information on this and other services of WED, contact your local WED office or write:

**Western Economic Diversification Canada**

Canada Place

1500-9700 Jasper Avenue

Edmonton, Alberta

T5J 4H7

Tel.: (403) 495-4164

Fax: (403) 495-6876.

## **FEDERAL OFFICE FOR REGIONAL DEVELOPMENT (QUEBEC)**

This Office was created in 1991 to promote the economic development of low-income regions in Quebec. It encourages long-term growth, job creation, and supports small and medium-sized businesses.

Among its most innovative programs is Le Centre Info-Entrepreneur, a joint operation with the Province of Quebec and the City of Montreal.

It provides information to entrepreneurs on such topics as starting your own business, international trade, taxation, financing, and government programs.

For more information, contact:

**Le Centre Info-Entrepreneur**

5, Place Ville Marie

Plaza Level

Montreal, Quebec

H3B 4Y2

Tel.: (514) 496-4636

or 1-800-322-4636.

## **Targeted Programs**

Canadian Heritage offers specialized services to address the special challenges faced by members of visible minorities in business such as:

### ***Diversity***

This quarterly newsletter addresses issues faced by the ethnocultural business community. It also informs the general Canadian business community about activities and opportunities generated by this sector.

### ***Multiculturalism Means Business***

This directory contains the names of ethnocultural business associations, advisory boards and bilateral trade associations.

### **Canadian Heritage Regional Offices**

Regional offices have publications and information from:

**Canadian Heritage**

**Multiculturalism Secretariat**

Jules Léger Building

Terrasses de la Chaudière

15 Eddy Street

Hull, Quebec

K1A 0M5

Tel.: (819) 997-0055.

## Aboriginal Economic Programs

These provide service and financial support to Aboriginal entrepreneurs and communities. The goal is to promote the economic self-sufficiency of Canada's Aboriginal people by strengthening their business and capital base.

- **The Aboriginal Business Development Program** provides financial and developmental assistance to establish, acquire and expand commercial ventures. It supports the development of business plans and the acquisition of follow-up advisory services throughout the business cycle.
- **The Joint Venture Program** encourages the formation of joint ventures between Aboriginal and non-Aboriginal businesses. Besides providing financial incentives, it also promotes the transfer of managerial skills and expertise to Aboriginal businesses.
- **Aboriginal Capital Corporation** provides direct loans, loan guarantees, equity financing and some related advisory services.

For more information on these programs, please contact your nearest regional Aboriginal Economic Program office in Halifax, Montreal, Toronto, Winnipeg, Saskatoon, Edmonton and Vancouver.

## Student Business Loans

The Student Business Loan program provides financial assistance to student businesses during the summer. Funded by Human Resources Development Canada, it conducts seminars on "How to Start a Business" and "Marketing". Loans are provided through the Federal Business Development Bank, the Royal Bank of Canada and the National Bank of Canada in Quebec.

For more information, contact your local Human Resources Development Canada employment centre, the banks listed above or 1-800-361-2126.

## **Municipal, Provincial and Territorial Business Assistance Programs**

Municipal, provincial and territorial governments have developed programs to encourage small business activity in their jurisdictions. These involve financial assistance, information on how to set up new businesses and small business service centres. For further information, contact the office responsible for small business development in your area.

## **Trade and Industry Associations**

Many trade and industry associations provide up-to-date information to new entrants into their industries. Contact your public library for help in identifying associations that may be of assistance to you.



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# Conclusion

**S**elf-employment and entrepreneurship offer many exciting opportunities.

Indeed, many Canadians have already ventured out on their own and enjoyed considerable success.

Of course, there are no guarantees of success and some risk does exist.

Still, you can improve your chances of success by ensuring that you possess the skills and information you will need and by preparing yourself in advance for the challenges you will face.

And to help you in this, the Federal Government—including Human Resources Development Canada—stands ready to assist you with a number of programs designed to make the process of “venturing out” just a little bit easier.

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